

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4299-01
BILL NO.: HB 2042
SUBJECT: Beverage Container Control Law
TYPE: Original
DATE: April 14, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue Fund	\$0	(\$56,554)	(\$50,995)
Total Estimated Net Effect on <u>All</u> State Funds	\$0	(\$56,554)	(\$50,995)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development**, the **Office of State Public Defender**, the **Missouri Capitol Police**, the **Office of State Courts Administrator**, the **Department of Public Safety (DPS) - Division of Liquor Control** and the **DPS - Missouri Water Patrol** assume their agencies would not be fiscally impacted by the proposed legislation.

Officials from the **Office of Prosecution Services** assume the fiscal impact of this proposed legislation is unknown because the proposal includes new crimes.

Officials from the **Office of the Attorney General** assume that under the proposed legislation costs can be absorbed with existing resources.

Officials from the **Department of Health (DOH)** noted that while 260.860.5. states "all approved redemption centers shall meet applicable health standards", it does not mandate an inspection of these operations. While DOH or a local public health agency might occasionally be called in to work a complaint at a redemption center, DOH feels it would be very infrequent and could be handled as a routine course of business and would not require additional resources to accomplish.

Officials from the **Office of Secretary of State** assume that based on experience with other divisions, the rules, regulations and forms issued by the Department of Natural Resources could require as many as approximately 22 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the *Code* because cost statements, fiscal notes and the like are not repeated in *Code*. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$22.50. The estimated cost of a page in the *Code of State Regulations* is \$26.50. Therefore, the estimated costs for FY 01 are \$1,325.50. The actual costs could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

Officials from the **Department of Natural Resources** assume the proposed legislation would require a manufacturer or distributor who is authorized to do business in the state of Missouri to recycle all collected containers. The department would be responsible for overseeing the implementation of this provision.

The department would also be responsible for the approval of redemption centers that may be established to accept the containers on behalf of dealers within a defined territory. In addition,

ASSUMPTION (continued)

the refund value indication on the beverage containers would also need to be certified by the department. The department would request one Planner II to perform these additional duties.

The department assumes that much of the bill requirements could be self implementing and any rules promulgated to carry out the purpose of the bill would be developed as much as possible along those lines.

The department assumes the majority of the provisions of the legislation bill would be enforced through self policing. Therefore, the department does not anticipate requesting additional staff to carry out enforcement activities associated with the bill. If the anticipated workload associated with the enforcement of the proposed legislation exceeds our expectations, then the department may need to request additional resources.

Oversight has adjusted the personal service expenses submitted by DNR to reflect a more conservative starting salary. Likewise, fringe benefit expenses were adjusted. Additionally, Oversight adjusted the departments equipment requests to comply with Office of Administration guidelines and in reference to expenses, Oversight assumes the annual DNR expenses for this professional position, with travel, to be \$5,400. The computations to arrive at the \$5,400 are based on projections of annual expenses received from other state agencies.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
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GENERAL REVENUE FUND

Cost - Department of Natural Resources

Personal Services	\$0	(\$33,776)	(\$34,620)
Fringe Benefits	\$0	(\$10,386)	(\$10,646)
Expense and Equipment	<u>\$0</u>	<u>(\$12,392)</u>	<u>(\$5,729)</u>
Total <u>Cost</u> - DNR	<u>\$0</u>	<u>(\$56,554)</u>	<u>(\$50,995)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001	FY 2002	FY 2003
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Local Government

<u>Cost</u> - Local Prosecuting Attorney's	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

Small businesses that are manufacturers, distributors or dealers of such beverages may be impacted by this proposed legislation.

DESCRIPTION

This proposal places a refundable deposit of at least 5 cents on all soft drink, beer, and mineral water containers sold for off-premise consumption. Containers must be clearly labeled with the refund value, and dealers must accept and refund the deposit for all labeled, returned containers of the type, size, and brand that they sell. If approved by the Department of Natural Resources as being convenient for customers, redemption centers may be established to accept containers on behalf of dealers within a defined territory. Each beer distributor selling non-refillable metal cans must provide for a can return facility in each county seat. In cities of 25,000 or more, one facility must be provided for each 25,000 inhabitants.

Distributors must pick up returned containers from dealers and redemption centers and, within a week, reimburse dealers the refund value plus one cent for each returned container. Manufacturers may not charge distributors a deposit on non-refillable containers.

The proposal also prohibits the sale of single-serving plastic beverage containers and metal cans with removable pull-tabs. After July 1, 2002, dealers, operators of redemption centers, distributors, and manufacturers may not dispose of beverage containers in landfills.

The proposal has an effective date of January 1, 2002. Most violations of the proposal's provisions are class C misdemeanors, but counterfeit labeling or attempting to collect the refund value a second time from a distributor are class B misdemeanors, and the manufacture or sale of single-serving plastic containers is a class A misdemeanor.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Economic Development
Department of Health
Department of Natural Resources
Department of Public Safety
Division of Liquor Control
Missouri Water Patrol
Missouri Capitol Police
Office of the Attorney General
Office of Prosecution Services
Office of Secretary of State
Office of State Courts Administrator
Office of State Public Defender

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive script.

Jeanne Jarrett, CPA
Director
April 14, 2000